



“SCOOP”

ARKANSAS FARM SERVICE AGENCY - - STATE OFFICE

July 1, 2003

PRODUCTION ADJUSTMENT/COMPLIANCE/PAYMENT LIMITATIONS

Direct and Counter-Cyclical Program (DCP)

Producers can still file an application to enroll in the DCP Program through September 30, 2003, for crop years 2002 and 2003 provided a \$100.00 late file fee is paid for the farm. Applications received after that date cannot be approved.

September 30, 2003, is also the deadline to file supporting documentation such as a:

- CCC-502, Farm Operating Plan for Payment Eligibility Review
- AD-1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification
- CCC-526, Payment Eligibility Adjusted Gross Income Certification

September 30, 2003, is the deadline for producers to execute Successor-in-Interest (S&I) contracts for DCP for changes that occurred for fiscal years 2002 and 2003. The following are examples of reasons producers must execute S&I contracts:

- A transfer or change in the interest of a producer on the farm
- Sale of land
- Change of operator or producer
- Foreclosure, bankruptcy, or involuntary loss of the farm
- Change in producer shares.

Acreage Reporting Deadline Approaches

July 15, 2003, is the deadline to report spring planted crops. Producers are now required to report ALL cropland on the farm as a condition to receive Direct and Counter-Cyclical Payments, Loan Deficiency Payments (LDP's), and Marketing Assistance Loans for that farm.

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2001 and 2002 Crop Disaster Program (CDP)

Signup into the 2001/2002 Crop Disaster Program (CDP) is in full swing in county offices. Interested producers should immediately contact their local office to schedule an appointment. A deadline for the program has not been announced, but producers are reminded that FSA computers will not be able to process 2001 losses with some conditions after September 30, 2003; therefore, all producers should target a deadline of September 1, 2003, to submit all paperwork if the deadline is not established before this date.

Please refer to the June 2, 2003, "SCOOP" issue for details and provisions of the program.

PRICE SUPPORT

July 3, 2003 is Final Date for Submitting Livestock Compensation Program II (LCP-II) Applications

The deadline for submitting LCP-II application is close of business, July 3, 2003. The 2002 LCP-II program is an emergency initiative administered by FSA that provides immediate assistance to eligible owners and cash lessees of certain types of livestock for damages and losses due to any natural disaster. This program provides direct payments to eligible livestock producers. As of 06/12/03, Arkansas counties have issued \$11,498,515 in LCP-II payments.

2002 Crop Cottonseed Payment Program Payments Issued

The 2002 Crop Cottonseed Payment Program authorized by the Agricultural Assistance Act of 2003, provided \$50 million nationally to help cotton ginner and producers recover from low 2002-crop cottonseed prices. Sixty-nine Arkansas gins received \$4,821,177 in benefits. USDA's average payment rate is \$7.75639 per ton of cottonseed on 6,439,849 tons or approximately \$2.99 per average weight bale.

Participation Continues in the Milk Income Loss Contract (MILC) Program

As of 05/23/03, Arkansas has paid a total of \$5,900,956 to dairy producers to compensate for low domestic milk prices. Producers must be in compliance with highly erodible and wetland conservation provisions and must enter into a contract with USDA's Commodity Credit Corporation to provide monthly marketing data.

Report Noninsured Crop Disaster Assistance Program (NAP) Acreage and Losses Timely

Acreage and shares of NAP covered crops **must** be timely reported to the local FSA Office. Crops planted after the established final planting dates are not eligible for coverage. Measurement services are available if needed. If a natural disaster strikes your covered crop, you **must timely** notify your local FSA office by completing a Notice of Loss within 15 calendar days of the date of:

- the natural disaster occurrence,
- the final planting, if your planting was prevented by a natural disaster;
- the date damage to the crop or loss of production becomes apparent to you; or
- the normal harvest date.

GRAZE-OUT Payments Available for 2003 Crop Wheat, Barley, Oats, or Triticale

The Farm Security and Rural Investment Act of 2002 provides GRAZE-OUT payments instead of LDP's, for each of the 2002-2007 crop years, to producers who elect to use acreage planted to wheat, barley, oats, or triticale, for grazing by livestock, and agree to forgo any other harvesting of the commodity on this acreage during the applicable crop year. County Offices will be accepting application form, CCC-633 Grazing, for 2003 crop wheat, barley, oats, or triticale, GRAZE-OUT payment requests. Applications will be accepted during grazing of the applicable crop.

Repayment of 2002 Commodity Loans

Nonrecourse commodity loan obligations can be met in full by payment of the loan at the lesser of principal plus interest or the market loan repayment rate, or by forfeiting or delivering the commodity to the Commodity Credit Corporation. Recourse loans cannot be forfeited or delivered to the Commodity Credit Corporation or repaid at the posted county price.

Market loan repayments allow a producer to repay a nonrecourse loan at the posted county price, when the posted county price is less than repayment at principal plus accrued interest and other charges. This is referred to as a marketing gain. The loan must be paid at the local county Farm Service Agency office by close of business on the day that a marketing gain is applicable. Exception, producers may request to lock in a posted county price and pay off the loan at a later date that is within the 60 day lock in period. Lock in expires the earlier of 60 calendar days from the date of approval or 14 calendar days before loan maturity. If a producer agrees to a locked in rate the loan may not be repaid using commodity certificates.

PROGRAM DEADLINES

| Program | Deadline |
|---|--------------------|
| Livestock Compensation Program II (LCP-II) | July 3, 2003 |
| Spring Seeded Acreage Reports | July 15, 2003 |
| Boll Weevil Eradication Program Certified Acres; Pay Balance of Boll Weevil Eradication Program Assessment Fee | July 15, 2003 |
| Farm Reconstitutions if Participating in DCP | August 1, 2003 |
| Year 4 Lamb Meat Adjustment Assistance Program (LMAAP) Sign-up | August 15, 2003 |
| 2002 and 2003 DCP Participation Enrollment (Late-filed provisions) | September 30, 2003 |
| DCP Successor-in-Interest | September 30, 2003 |